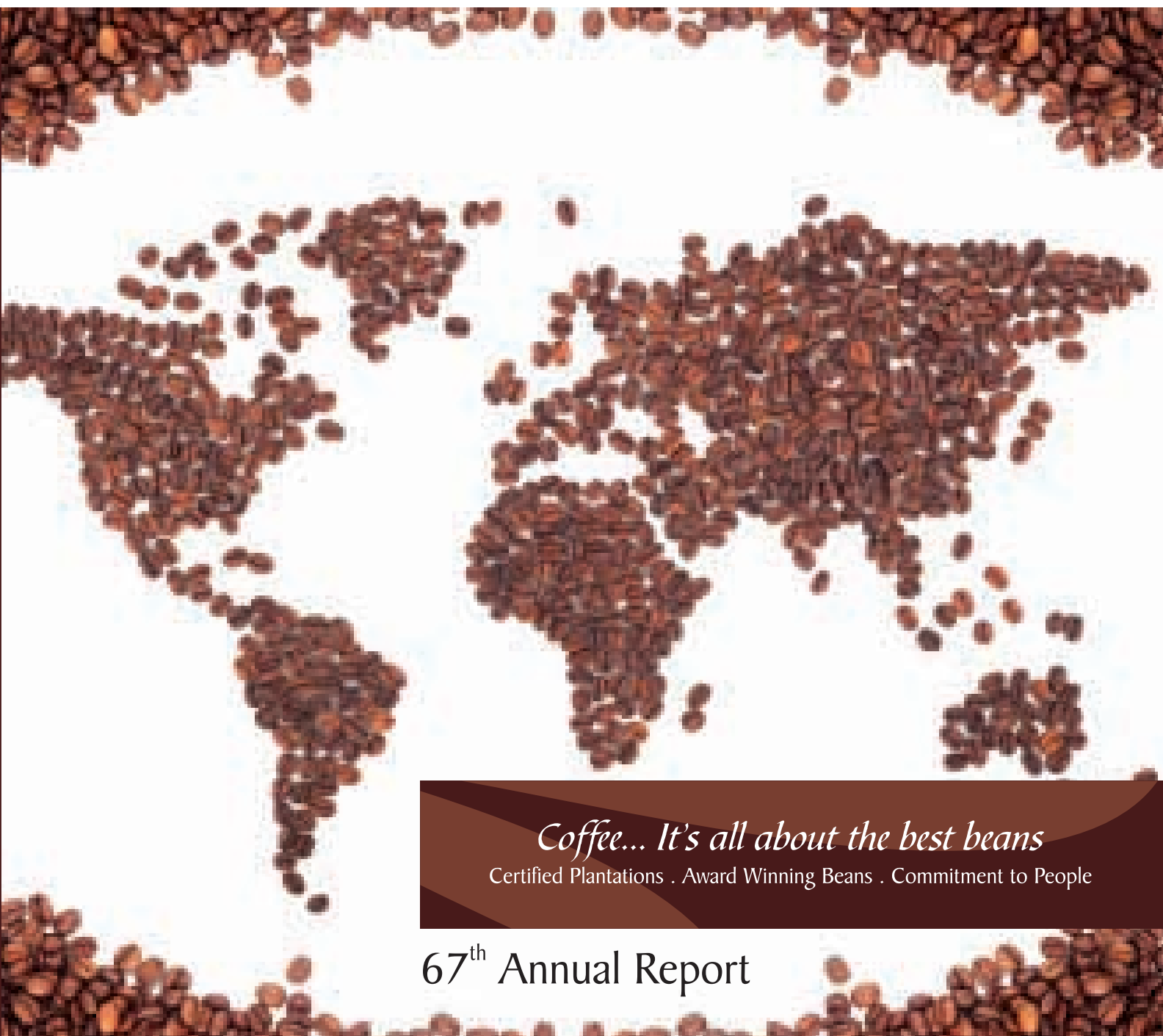




TATA COFFEE

2009 - 2010



Coffee... It's all about the best beans

Certified Plantations . Award Winning Beans . Commitment to People

67th Annual Report

**Annual General Meeting on
Friday, the 23rd July, 2010 at the
Registered Office
at 12 Noon**

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COMPANY INFORMATION**Board of Directors**

R.K. Krishna Kumar (Chairman)
 R. Govindarajan
 P.T. Siganporia
 U.M. Rao
 Prof. A. Monappa
 Ms. Sangeeta Talwar
 Venu Srinivasan
 S. Santhanakrishnan
 T.V. Alexander
 Hameed Huq (Managing Director)

Registered Office

Pollibetta – 571 215
 Kodagu, Karnataka State

Corporate Office

No. 57, Railway Parallel Road,
 Kumara Park (W), Bangalore – 560 020
 Tel : (080) 23560695 Fax : (080) 23341843
 E-mail : investors@tatacoffee.com
 Website : www.tatacoffee.com

Registrars

TSR Darashaw Ltd.
 6-10, Haji Mosa Patrawala Ind. Estate,
 20, Dr. E. Moses Road,
 Mahalaxmi, Mumbai – 400 011
 Tel : 022-6656 8484 Fax : 022-6656 8496
 E-mail : csg-unit@tsrdarashaw.com
 Website : www.tsrdarashaw.com

Auditors

N.M. Rajji & Co.
 SNB Associates

Bankers

Corporation Bank
 Indian Overseas Bank
 Standard Chartered Bank
 Hongkong and Shanghai Banking Corp.Ltd.
 ICICI Bank Limited
 HDFC Bank Limited

Debenture Trustees**Rights Issue of Partly Convertible Debentures**

IDBI Trusteeship Services Ltd.
 Asian Building, Ground Floor,
 17, R. Kamani Marg, Ballard Estate,
 Mumbai - 400 001.

Board Committees**Audit Committee**

S. Santhanakrishnan – Chairman
 R. Govindarajan
 U. Mahesh Rao

Shareholders/Investors Grievance Committee

R.K. Krishna Kumar – Chairman
 R. Govindarajan
 Hameed Huq

Remuneration Committee

U. Mahesh Rao – Chairman
 R.K. Krishna Kumar
 R. Govindarajan
 Prof. A. Monappa

NOTICE

NOTICE is hereby given that the 67th Annual General Meeting of the Company will be held at the Registered Office of the Company at Pollibetta, Kodagu, on Friday the, 23rd July, 2010 at 12 Noon to transact the following business :

1. To receive and adopt the audited Profit and Loss Account for the year ended 31st March, 2010 and the Balance Sheet as at that date together with the Reports of the Directors and Auditors thereon.
2. To declare a Dividend.
3. To appoint a Director in place of Mr. R.K. Krishna Kumar who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr. P.T. Siganporia who retires by rotation and is eligible for re-appointment.
5. To appoint a Director in place of Ms. Sangeeta Talwar who retires by rotation and is eligible for re-appointment.
6. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

To consider and if thought fit to pass with or without modification, the following Resolutions :

7. As an Ordinary Resolution :

RESOLVED that Mr. Hameed Huq be and is hereby appointed as Director of the Company not liable to retire by rotation.

8. As an Ordinary Resolution :

RESOLVED that pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 ("the Act") read with Schedule XIII of the Act, the Company hereby approves the appointment of and terms of remuneration payable to Mr. Hameed Huq as Managing Director for the period from 3rd January, 2010 to 2nd January, 2013 upon the terms and conditions, including the remuneration to be paid in the event of inadequacy of profits in any financial year, as set out in the Explanatory Statement annexed to the Notice convening this meeting, with liberty to the Directors of the Company to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board of Directors and Mr. Huq.

RESOLVED FURTHER that the Board of Directors or a Committee thereof of the Company, be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.

9. As a Special Resolution:

RESOLVED that pursuant to the provisions of Section 309 and other applicable provisions, if any, of the Companies Act, 1956, (the Act) a sum not exceeding 1% of the net profits of the Company per annum computed in the manner prescribed in Section 309 (5) of the Act, be paid to and distributed as commission amongst the Directors of the Company or some or any of them (other than the Managing Director/Wholetime Directors) in respect of the profits of the Company for each of the five financial years commencing 1st April, 2010 in such amounts or proportion and in such manner as may be decided by the Board of Directors of the Company.

By Order of the Board

M.K.C. Pai
Company Secretary

Place : Bangalore

Date : 17th June, 2010

NOTES :

1. The Register of Members of the Company will remain closed from 9th July, 2010 to 23rd July, 2010, both days inclusive.
2. **A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his/her stead and the proxy need not be a member of the Company. Proxies in order to be effective must be received at the Company's Registered Office not less than 48 hours before the Meeting.**
3. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the items of Special Business is annexed hereto.
4. Dividend, if declared at the Annual General Meeting will be paid within 30 days thereof to those members whose names appear on the Register of Members of the Company, after giving effect to valid transfers in respect of the shares lodged with the Company on or before the close of business hours on 8th July, 2010 or to their mandatees. The dividend in respect of shares held in electronic form would be payable to the beneficial owners of Shares recorded with the Depositories as of the end of 8th July, 2010 as per details furnished by the Depositories for the purpose.
5. **All unclaimed/unpaid dividends upto the financial year ended 31st March, 1995 have been transferred to the General Revenue Account of the Central Government. Shareholders who have not en-cashed the warrants in respect of the dividend upto the aforesaid financial year are requested to claim their dividend from the Registrar of Companies, 2nd Floor, "E" Wing, Kendriya Sadan, Koramangala, Bengaluru, Karnataka by making an application in the prescribed Form.**

Pursuant to Section 205A read with Section 205C of the Companies Act, 1956, the unclaimed/unpaid dividend for the financial years ended 31st March, 1996 to 31st March, 2002 have been transferred to the Investor Education and Protection Fund of the Central Government ("the Fund"). The balance lying in the unpaid dividend account for the year ended 31st March, 2003 will be transferred to the Fund shortly. Shareholders are requested to note that once unpaid/unclaimed amounts are transferred to the Fund, no claim shall lie against the Fund or the Company. Shareholders who have not yet encashed their dividend warrants are requested to do so sufficiently in advance before the said transfers take place.

6. Securities and Exchange Board of India (SEBI) vide their Circular dated 15th October, 2001, had made it mandatory for all companies to use the bank account details furnished by the shareholders for distributing dividend through Electronic Clearing Service (ECS) wherever ECS and Bank Details are available. In the event of ECS facility not being available for any reason, companies are required to print the bank account details on the payment instrument for distribution of dividend to the investors.

As per RBI notification, with effect from 1st October, 2009, the remittance of money through ECS is replaced by National-ECS (NECS) and banks have been instructed to move to the NECS platform with immediate effect. NECS essentially operates on the new and unique bank account number allotted by banks post implementation of Core Banking Solutions (CBS) for centralized processing of inward instructions and efficiency in handling bulk transactions.

Shareholders holding shares in physical form are requested to notify their bank details giving the name of the bank, the branch, account number and type and also any change of address to the Company's Registrar and Transfer Agent, TSR Darashaw Ltd. In case the holdings are in electronic form, the said details should be conveyed to their Depository Participant. Shareholders who wish to avail the NECS facility offered by the Company should, in addition to the aforesaid bank details also furnish their Bank Branch Code & CBS Account number to the Registrars / Depository Participant. Members holding shares in physical form and desirous of availing this facility are requested to contact the Company's Registrar and Transfer Agent.

The bank particulars of the Shareholders recorded with the Depository Participant as of the book closure date, the data of which will be received through Depositories will be used by the Company for printing on the dividend warrants. This would ensure that the dividend warrants cannot be deposited in any account other than the one specified on the warrants. For safety and in the interest of the shareholders, it is important that bank account details are correctly provided to the Depository Participants. The bank details (mandate) for shares held in physical form will not be applicable/applied for shares held in electronic form and vice versa.

**Details of Directors seeking appointment/re-appointment /retiring by rotation
(In pursuance of Clause 49 of the Listing Agreement)**

| | | | | |
|--|---|---|--|------------------------------------|
| Name of Director | R.K. Krishna Kumar | P.T. Siganporia | Sangeeta Talwar | Hameed Huq |
| Date of Birth | 18.07.1938 | 22.05.1951 | 05.05.1956 | 31.01.1951 |
| Date of Appointment | 10.01.1991 | 20.10.2004 | 27.10.2006 | 03.01.2010 |
| Qualifications | M.A. Economics | B.Sc., PGDBM | B.A. (Eco), MBA | B.A. (Hons.) |
| Expertise in specific functional area | Long experience of overall business management of Indian and Overseas Corporate Bodies. | Marketing, Sales and Overall Business Management and Administration. | Marketing, Sales, Distribution and Overall Business Management and Administration. | General Management of plantations. |
| Chairman/ Director of other Companies (excluding foreign companies) as on 31.03.2010 | As detailed below (1) | 1. Tata Tea Limited – Managing Director 2. Mount Everest Mineral Water Ltd. – Non-Executive Chairman | Tata Tea Limited – Executive Director | Alliance Coffee Limited - Director |
| Chairman/Member of Committees* of the Boards of which he is a Director as on 31.03.2010 | As detailed below (1) | Nil | Nil | Nil |
| No. of Shares held in the Company | Nil | 50 | Nil | 199 |

* Includes Audit, Remuneration and Shareholders/Investors Grievance Committees only of other companies.

(1) Directorships in Companies & Memberships in Committees of Mr. R.K. Krishna Kumar

| Sl. No. | Name of the Company | Membership in Committees | |
|---------|--------------------------------------|--|------------------------|
| | | Name of the Committee | Position held |
| 1. | Tata Sons Limited | Remuneration | Member |
| 2. | Tata Industries Limited | | |
| 3. | The Indian Hotels Company Limited | 1. Remuneration 2. Shareholders/Investors Grievance | 1. Member 2. Member |
| 4. | Tata Tea Limited | 1. Audit 2. Remuneration | 1. Member 2. Member |
| 5. | Tata Housing Development Co. Ltd. | | |
| 6. | Ewart Investments Limited | | |
| 7. | Piem Hotels Limited | | |
| 8. | Oriental Hotels Limited | Remuneration | Member |
| 9. | Infiniti Retail Limited | Remuneration | Chairman |
| 10. | Tata Realty & Infrastructure Limited | Remuneration | Chairman |

EXPLANATORY STATEMENT**Pursuant to Section 173(2) of the Companies Act, 1956****Item Nos. 7 & 8**

Mr. Hameed Huq on the expiry of his term as Wholetime Director was appointed by the Board as Additional Director of the Company with effect from 3rd January, 2010. In terms of Section 260 of the Companies Act, 1956, Mr. Huq holds office till the date of the ensuing Annual General Meeting and is eligible for re-appointment as a Director not liable to retire by rotation in terms of the Articles of Association. Notice under Section 257 of the Companies Act, 1956 along with requisite deposit has been received from a member signifying his intention to propose the candidature of Mr. Huq as Director.

The Board also appointed Mr. Huq as the Managing Director of the Company for a period of three years with effect from 3rd January, 2010 on the terms and conditions including remuneration as indicated below. Mr. Huq's appointment is subject to the approval of the members in general meeting.

- (i) Tenure of Agreement: For the period from 3rd January, 2010 to 2nd January, 2013.
- (ii) Nature of duties: Mr. Huq ("the Appointee") shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Board from time to time and exercise such powers as may be assigned to him, subject to superintendence, control and directions of the Board in connection with and in the best interest of the business of the Company and the business of any one or more of its subsidiaries and/or associated companies, including performing duties as assigned by the Board from time to time by serving on the boards of such companies or any other executive body or any committee of such a company.
- (iii) A. Remuneration: Salary: Rs.3,00,000/- per month in the scale of Rs.3,00,000/- to Rs.5,00,000/- with annual increments effective April 1 every year as may be decided by the Board, based on merit and taking into account the Company's performance; incentive remuneration, if any, and/or commission based on certain performance criteria to be laid down by the Board; benefits, perquisites and allowances as may be determined by the Board from time to time.
- B. Minimum Remuneration: Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of the Appointee, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, incentive remuneration, perquisites and allowances, as specified above.

The aggregate of the remuneration as aforesaid shall be within the maximum limits as stipulated under Sections 198, 309 and all other applicable provisions, if any, of the Act read with Schedule XIII of the Act, as amended from time to time.

- (iv) The terms and conditions of appointment also include clauses pertaining to adherence with the Tata Code of Conduct, including no conflict of interest with the

- (v) Company, non-compete and maintenance of confidentiality.
- (v) The terms and conditions of the said appointment may be altered and varied from time to time by the Board as it may, in its discretion deem fit, within the maximum amounts payable to the Appointee, in accordance with the provision of the Act or any amendments made hereafter in this regard and subject to such approvals as may be required.
- (vi) The appointment may be terminated by either party by giving to the other party six months' notice of such termination or the Company paying six months' remuneration in lieu of Notice.
- (vii) The Appointee is being appointed as a Director by virtue of his employment in the Company and his appointment is subject to the provisions of Section 283(1)(l) of the Act.
- (viii) If and when the appointment comes to an end for any reason whatsoever, the Appointee will cease to be the Managing Director and also cease to be a Director. If at any time, the Appointee ceases to be a Director of the Company for any cause whatsoever, he shall cease to be the Managing Director, as the case may be, and the appointment shall forthwith terminate.

In compliance with the provisions of Sections 269, 309 and other applicable provisions of the Act read with Schedule XIII of the Act, the terms of appointment and remuneration specified above are now being placed before the Members for their approval.

The Directors commend the resolutions at Item Nos.7 & 8 of the accompanying notice for approval of the Members.

Mr. Huq is interested in Item Nos. 7 & 8 of the Notice.

Abstract of the terms of appointment of Mr. Huq as Managing Director has already been circulated to the members pursuant to Section 302 of the Act.

Item No. 9

By a Special Resolution passed by the members of the Company at the Annual General Meeting held on 4th August, 2005, authority was given under Section 309 of the Companies Act, 1956 to the determination and distribution amongst the Directors (other than the Managing Director and Wholetime Directors) of a sum not exceeding 1% of the net profits of the Company as Commission for a period of five years commencing 1st April, 2005. Approval of the Shareholders is now being sought to the payment of Commission not exceeding 1% of the Net profits of the Company to the Directors (other than the Managing and Wholetime Directors) in respect of profits of the Company for each of the five financial years commencing 1st April, 2010. The amount, to be determined by the Board will be paid to and distributed amongst all or some of the Directors in accordance with the directions the Board may give in this regard.

The resolution set out in Item No.9 is to be considered accordingly and is placed before the Shareholders for their approval.

All Directors other than Mr. Huq are concerned or interested in the resolution to the extent of the payment that they may receive by way of Commission.

By Order of the Board
M.K.C. Pai
Company Secretary

Place : Bangalore
Date : 17th June, 2010

2005/2006 TO 2009/2010 A FIVE YEAR REVIEW

INCOME & DIVIDEND, ETC.

| | | 2005-2006 | 2006-2007 | 2007-2008 | 2008-2009 | 2009-2010 |
|--|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Sale Value of Coffee and | | | | | | |
| Estate Products and Gross Income | | | | | | |
| From Services rendered | (Rs. in Lakhs) | 19122.77 | 26849.65 | 32692.38 | 33678.62 | 37342.43 |
| Profit Before Tax | (Rs. in Lakhs) | 2634.50 | 2774.77 | 3857.45 | 2840.60 | 4999.92 |
| As percentage of Sales | | 14 | 10 | 12 | 8 | 13 |
| Profit After Tax | (Rs. in Lakhs) | 2232.06 | 2023.06 | 2468.13 | 1864.42 | 3198.98 |
| As percentage of Sales | | 12 | 8 | 8 | 6 | 9 |
| As percentage of Networth | | 12 | 6 | 7 | 6 | 9 |
| (Shareholders' Funds) | | | | | | |
| Expenses as percentage of Income | | 86 | 91 | 88 | 92 | 87 |
| Current Assets/Current Liabilities | | 4.05:1 | 2.52:1 | 2.39:1 | 1.73:1 | 2.59:1 |
| Debt/Equity Ratio | | 0.75:1 | 0.57:1 | 0.58:1 | 0.58:1 | 0.41:1 |
| Fixed Assets/Net Worth (as percentage) | | 102 | 71 | 72 | 81 | 65 |
| Net Profit per Equity Share | (Rs.) | 17.90 | 13.94 | 13.21 | 9.98 | 17.13 |
| Dividend distributed | (Rs.) | 6.5 | 6.5 | 7 | 6 | 7.50 |
| Assets & Liabilities | (Rs. in Lakhs) | | | | | |
| Net Fixed Assets | | 18902.80 | 23945.41 | 24653.08 | 24374.13 | 23318.91 |
| Stocks | | 8947.89 | 7508.46 | 8329.58 | 12545.97 | 11674.88 |
| Debtors, Loans & Advances | | 7476.06 | 8601.10 | 11371.97 | 9694.43 | 9482.44 |
| Other Assets | | 709.84 | 1965.44 | 771.56 | 1037.69 | 2149.27 |
| Sundry Liabilities | | 4234.72 | 7186.86 | 8566.60 | 13441.60 | 8990.32 |
| Net Current Assets | | 12899.07 | 10888.14 | 11906.51 | 9836.49 | 14316.27 |
| Deferred Revenue Expenditure | | 154.14 | 50.48 | 23.63 | 3.96 | - |
| Investments in Shares & Securities | | 1077.11 | 18705.22 | 18382.92 | 14677.62 | 14677.62 |
| Total Assets | | 33033.12 | 53589.25 | 54966.14 | 48892.20 | 52312.80 |
| Represented by | (Rs. in Lakhs) | | | | | |
| Share Capital | | 1246.87 | 1867.70 | 1867.70 | 1867.70 | 1867.70 |
| Reserves | | 17351.03 | 32069.26 | 32293.45 | 28405.60 | 34120.26 |
| Shareholders' interest (Net Worth) | | 18597.90 | 33936.96 | 34161.15 | 30273.30 | 35987.96 |
| Loans | | 13890.62 | 19212.50 | 19934.78 | 17666.51 | 14864.22 |
| Deferred Tax Liability (Net) | | 544.60 | 439.79 | 870.21 | 952.39 | 1460.62 |
| Total Liabilities | | 33033.12 | 53589.25 | 54966.14 | 48892.20 | 52312.80 |

TATA COFFEE LIMITED
PRODUCTION (IN TONNES)

| YEAR | COFFEE | | | TEA | PEPPER | CARDAMOM | COFFEE | INSTANT |
|-----------|---------|---------|-------|------|--------|----------|--------|---------|
| | ARABICA | ROBUSTA | TOTAL | | | | CURED | COFFEE |
| 2000/2001 | 2885 | 6370 | 9255 | 990 | 929 | 8.34 | 18167 | 4771 |
| 2001/2002 | 2595 | 5790 | 8385 | 1072 | 1196 | 6.62 | 16223 | 4507 |
| 2002/2003 | 3044 | 6813 | 9857 | 1114 | 856 | 4.43 | 13027 | 3590 |
| 2003/2004 | 2338 | 5539 | 7877 | 1048 | 1150 | 7.10 | 14548 | 5368 |
| 2004/2005 | 2680 | 4944 | 7624 | 1119 | 1328 | 10.98 | 13241 | 3341 |
| 2005/2006 | 2110 | 6434 | 8544 | 2699 | 981 | 14.23 | 11105 | 4263 |
| 2006/2007 | 2014 | 5503 | 7517 | 6936 | 861 | 44.49 | 11870 | 3628 |
| 2007/2008 | 2233 | 5771 | 8004 | 6576 | 682 | 4.97 | 11247 | 4966 |
| 2008/2009 | 1551 | 4225 | 5776 | 7606 | 1515 | 14.52 | 11195 | 5219 |
| 2009/2010 | 2171 | 7285 | 9456 | 7994 | 884 | 32.01 | 10427 | 2955 |

Note - The crop figures for the year 2005/06 and onwards include crop of Anamallai Group Estates which were acquired by the Company during the year 2005/06.

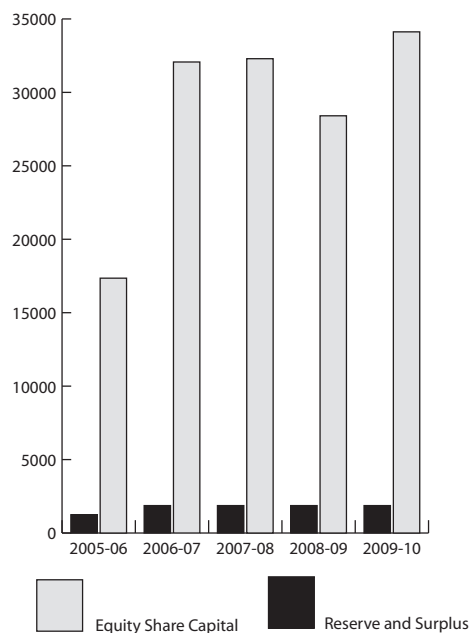
ACREAGE STATEMENT - 5 YEARS

| | 2005/06 | 2006/07 | 2007/08 | 2008/09 | 2009/10 | |
|--------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | Acres | | | | Acres | Hectares |
| COFFEE * | | | | | | |
| Arabica | 7786 | 7786 | 7569 | 7563 | 7539 | 3052 |
| Robusta | 10582 | 10523 | 10700 | 10651 | 10675 | 4322 |
| Mixed Coffee | 86 | 86 | 86 | 86 | 86 | 35 |
| | 18454 | 18395 | 18355 | 18300 | 18300 | 7409 |
| TEA | 6089 | 6089 | 6089 | 6089 | 6089 | 2465 |
| OTHER CROPS | | | | | | |
| Cardamom | 533 | 533 | 420 | 496 | 504 | 204 |
| Paddy | 123 | 123 | 104 | 37 | 39 | 16 |
| Pure Pepper/Areca | 294 | 351 | 496 | 472 | 464 | 188 |
| TOTAL CULTIVATED AREA : | 25493 | 25491 | 25464 | 25394 | 25396 | 10282 |

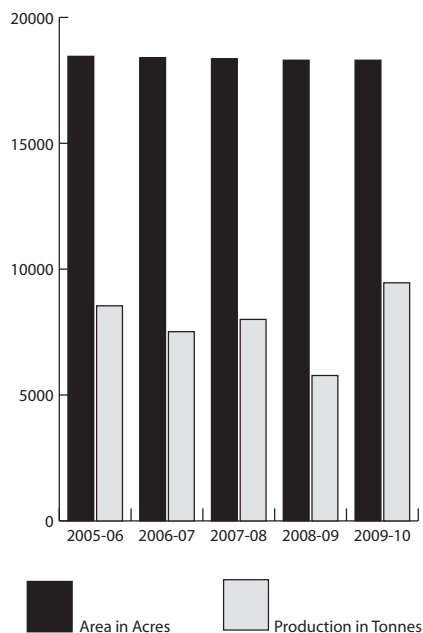
* Pepper interplanted in Coffee

Shareholder's Funds

(Rs. in Lakhs)

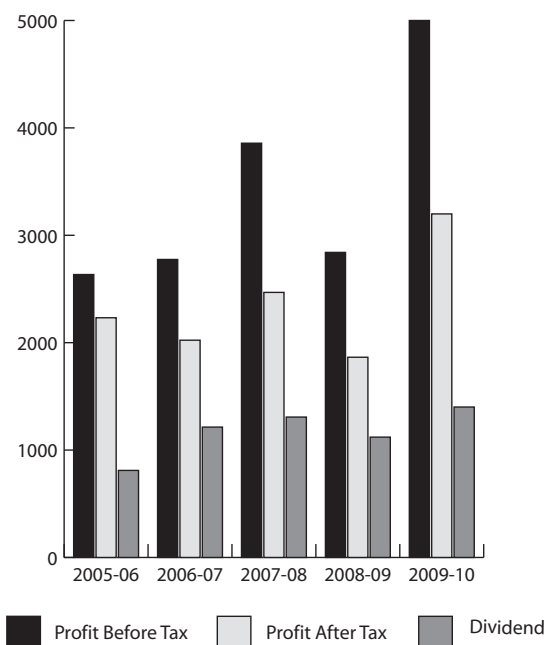


Coffee Area and Production



Profit Earned and Distributed

(Rs. in Lakhs)



Our Role in Coffee Production & Curing

(in '000 tonnes)

